



Service Credit Payment Options

for Michigan State Police

You may pay for your service credit purchase using one or more of the following methods: check or money order or a qualified plan-to-plan transfer. Read this document to help you decide which payment method best fits your circumstances. Once you decide, follow the step-by-step payment instructions on the back of your *Member Billing Statement*. More information on purchasing service credit can be found at www.michigan.gov/ORSmsp or in the *Retirement Guidelines: A Member Handbook for Michigan's State Police Enlisted Officers*.

Purchasing with a Check or Money Order

You may pay for all or a portion of the service credit with a *cashier's check*, a *personal check*, or a *money order* (post-tax funds). Be sure to follow the instructions on the back of your billing statement.

Purchasing with a Qualified Plan-to-Plan Transfer

A *qualified plan-to-plan transfer* is the process of moving money from a qualified (as defined by the IRS) pretax investment account/retirement plan to another qualified plan without incurring taxes or penalties on the money being transferred.

This means you can “roll over” money from most pretax retirement accounts and use it to purchase service credit. A qualified plan includes a 401(a), 401(k), 403(b), 457, as well as conduit IRAs from these sources. A traditional IRA (Individual Retirement Account) cannot be used to purchase service credit. Your Deferred Compensation 401(k) and 457 plans administered by CitiStreet are qualified plans.

If you decide to purchase any or all of the service credit shown on your *Member Billing Statement* by transferring from a qualified plan, request or download a *Qualified Plan-to-Plan Transfer Certification (R158X)* form from ORS.

It is important to note the following:

- It is your responsibility to begin the transfer with your plan administrator.
- The transfer amount should not be for more than the amount due on the billing statement.
- ORS must receive the funds by the billing statement due date. Be sure to allow 6-8 weeks for your plan administrator to transfer the funds to avoid any additional cost.
- When ORS receives your transfer payment, you'll be issued a receipt and your retirement account will be updated.
- Plan-to-plan transfers are handled between ORS and the investment institution holding your funds (your plan administrator) acting on your request. Your personnel office should not be involved.

Combining Your Payment Methods

You can combine methods of payment to purchase service credit. Once you receive a receipt for your check or transfer payment, you must then request a new billing statement from ORS for the remaining service credit you wish to purchase.



www.michigan.gov/ORSmsp



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